

STATE OF WISCONSIN

Senate Journal

Ninety-First Regular Session

10:00 A.M.

TUESDAY, February 9, 1993

The Senate met.

The Senate was called to order by Senator Brian Rude.

Senator Rude, with unanimous consent, asked that the proper entries be made.

PETITIONS AND COMMUNICATIONS

State of Wisconsin
Public Service Commission

February 5, 1993

INTRODUCTION OF RESOLUTIONS

Senate Joint Resolution 8

Relating to the administration and investment of the public employe trust fund administered by the state and prohibiting the diversion of funds from such a trust fund (first consideration).

By Senators Andrea, Breske, Buettner, Burke, Jauch, Moen, Petak, Plewa, Risser, Rude, Schultz and Weeden; cosponsored by Representatives Grobschmidt, Baldus, Barca, Bell, Black, Bolle, Carpenter, Cullen, Dobyns, Duff, Freese, Goetsch, Hanson, Harsdorf, Hinkfuss, Kaufert, Lehman, Lorge, Musser, Ourada, Plache, Porter, Reynolds, Springer, Stower, Underheim, Urban and Wood.

Read first time and referred to committee on Housing, Commerce, Government Operations and Cultural Affairs.

To the Honorable the Legislature:

In accordance with s. 196.795(7)(ar), Wis. Stats., the Commission hereby submits the attached report to the Legislature regarding Wisconsin Power and Light Company (WPL). The report discusses the impact of WPL Holdings, Inc. (Holdings) on its public utility affiliate, WPL, as well as the nature of the business of each nonutility affiliate.

We have also enclosed a copy of our 1991 audit report on Holdings. The overall purpose of the holding company audit was to review the operations of WPL and Holdings, and affiliated transactions for compliance with 1985 Wisconsin Act 79.

Finally, we have included a report submitted to the Public Service Commission of Wisconsin by WPL which describes in more detail the activities of the nonutility affiliates, and a two page letter prepared by WPL in response to the report to the Legislature and the 1991 audit report.

If you have any questions or would like to meet to discuss the report, please feel free to contact me at (608) 267-7897.

Sincerely,

Cheryl L. Parrino

Chairman

Wisconsin Educational
Communications Board

February 2, 1993

To the Honorable the Legislature:

In accordance with Chapter 39.11(17m) the Education Communications Board is providing copies of its 1992 financial audits for public radio and television. These documents contain the expenditure totals for programming as required.

COMMITTEE REPORTS

The committee on Urban Affairs, Financial Institutions and Environmental Resources reports and recommends:

RIKKERS, FREDERICK T., of Madison, as a member of the Savings and Loan Review Board, to serve for the interim term ending May 1, 1993.

Confirmation:

Ayes, 6 -- Senators Burke, Cowles, Chvala, Adelman, Stitt and Weeden;

Noes, 0 -- None.

Senate Bill 4

Relating to the annual wastewater discharge environmental fee.

Passage:

Ayes, 4 -- Senators Burke, Chvala, Adelman and Weeden;

Noes, 2 -- Senators Cowles and Stitt.

Brian B. Burke
Chair

Sincerely,
Ted Tobie
Associate Director for
Finance and Administration

State of Wisconsin
Department of Natural Resources
February 5, 1993

To the Honorable the Legislature:

Senate Bill 483, Section 9142, Subsection 12C, directed the Department of Natural Resources to conduct a study to address the issues of white-tail deer farming. Enclosed you will find a copy of that report.

If you have questions concerning this please telephone me at 266-2774.

Sincerely,
Thomas C. Solin, Chief
Special Investigations

State of Wisconsin
Legislative Audit Bureau
February 4, 1993

To the Honorable the Legislature:

We have completed an audit of the Local Government Property Insurance Fund, which provides property insurance to local units of government and is administered by the Office of the Commissioner of Insurance. As required by s. 13.94, Wis. Stats., we audited and are able to provide an unqualified auditor's report on the Fund's financial statements for the past three fiscal years. We also reviewed the Property Fund's surplus and its contractual arrangements.

The Property Fund accumulated a surplus of \$20.5 million as of June 30, 1992, largely because of actions the Office took to alleviate insurance industry concerns that the Property Fund was unfairly competing with private insurers. The actions included charging higher premiums to avoid severely underpricing private insurers and discontinuing a past practice of issuing dividends.

The current surplus has been the subject of much debate since the Governor attempted to transfer part of the surplus to the State's General Fund in Act 269, Laws of 1991. Based on various measures, we believe a \$10 million surplus is sufficient to meet the Property Fund's present needs. We also believe that the Fund's competition with private insurers is unavoidable. Therefore, we recommend the Office evaluate the feasibility and cost of various options for reducing the surplus, such as reducing rates and resuming dividends.

We also recommend the Office improve its procurement procedures for the Property Fund's administration and

reinsurance contracts in order to better justify its award decisions, and that it prohibit the same firm from holding both contracts because of potential conflicts of interest.

We appreciate the courtesy and cooperation extended to us by the management and staff of the Office of the Commissioner of Insurance and the private firms responsible for the administration of the Property Fund. A response from the Office of the Commissioner of Insurance is the appendix.

Sincerely,
Dale Cattanach
State Auditor

MESSAGE FROM THE ASSEMBLY

By Thomas T. Melvin, chief clerk.

Mr. President:

I am directed to inform you that the Assembly has adopted and asks concurrence in:

Assembly Joint Resolution 1
Assembly Joint Resolution 2
Assembly Joint Resolution 4

MESSAGE FROM THE ASSEMBLY
CONSIDERED

Assembly Joint Resolution 1

Relating to the life and public service of Leland Mulder.

By Representative Roberts.

Read and referred to committee on Senate Organization.

Assembly Joint Resolution 2

Relating to the life and public service of Ed McClain.

By Representatives Travis, Prosser and Huber, cosponsored by Senators Helbach and Decker.

Read and referred to committee on Senate Organization.

Assembly Joint Resolution 4

Relating to the life and public service of Hallie Rowe.

By Representative Swoboda, cosponsored by Senator Lasee.

Read and referred to committee on Senate Organization.

Senator Rude, with unanimous consent, asked that the Senate adjourn until 10:00 A.M. Thursday, February 11.

10:01 A.M.